



Rep. Dan Reitz

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1 AMENDMENT TO SENATE BILL 2525

2 AMENDMENT NO. _____. Amend Senate Bill 2525 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The State Employees Group Insurance Act of 1971
5 is amended by changing Sections 3, 6.5, and 10 as follows:

6 (5 ILCS 375/3) (from Ch. 127, par. 523)

7 Sec. 3. Definitions. Unless the context otherwise
8 requires, the following words and phrases as used in this Act
9 shall have the following meanings. The Department may define
10 these and other words and phrases separately for the purpose of
11 implementing specific programs providing benefits under this
12 Act.

13 (a) "Administrative service organization" means any
14 person, firm or corporation experienced in the handling of
15 claims which is fully qualified, financially sound and capable
16 of meeting the service requirements of a contract of

1 administration executed with the Department.

2 (b) "Annuitant" means (1) an employee who retires, or has
3 retired, on or after January 1, 1966 on an immediate annuity
4 under the provisions of Articles 2, 14 (including an employee
5 who has elected to receive an alternative retirement
6 cancellation payment under Section 14-108.5 of the Illinois
7 Pension Code in lieu of an annuity), 15 (including an employee
8 who has retired under the optional retirement program
9 established under Section 15-158.2), paragraphs (2), (3), or
10 (5) of Section 16-106, or Article 18 of the Illinois Pension
11 Code; (2) any person who was receiving group insurance coverage
12 under this Act as of March 31, 1978 by reason of his status as
13 an annuitant, even though the annuity in relation to which such
14 coverage was provided is a proportional annuity based on less
15 than the minimum period of service required for a retirement
16 annuity in the system involved; (3) any person not otherwise
17 covered by this Act who has retired as a participating member
18 under Article 2 of the Illinois Pension Code but is ineligible
19 for the retirement annuity under Section 2-119 of the Illinois
20 Pension Code; (4) the spouse of any person who is receiving a
21 retirement annuity under Article 18 of the Illinois Pension
22 Code and who is covered under a group health insurance program
23 sponsored by a governmental employer other than the State of
24 Illinois and who has irrevocably elected to waive his or her
25 coverage under this Act and to have his or her spouse
26 considered as the "annuitant" under this Act and not as a

1 "dependent"; or (5) an employee who retires, or has retired,
2 from a qualified position, as determined according to rules
3 promulgated by the Director, under a qualified local
4 government, a qualified rehabilitation facility, a qualified
5 domestic violence shelter or service, or a qualified child
6 advocacy center. (For definition of "retired employee", see (p)
7 post).

8 (b-5) "New SERS annuitant" means a person who, on or after
9 January 1, 1998, becomes an annuitant, as defined in subsection
10 (b), by virtue of beginning to receive a retirement annuity
11 under Article 14 of the Illinois Pension Code (including an
12 employee who has elected to receive an alternative retirement
13 cancellation payment under Section 14-108.5 of that Code in
14 lieu of an annuity), and is eligible to participate in the
15 basic program of group health benefits provided for annuitants
16 under this Act.

17 (b-6) "New SURS annuitant" means a person who (1) on or
18 after January 1, 1998, becomes an annuitant, as defined in
19 subsection (b), by virtue of beginning to receive a retirement
20 annuity under Article 15 of the Illinois Pension Code, (2) has
21 not made the election authorized under Section 15-135.1 of the
22 Illinois Pension Code, and (3) is eligible to participate in
23 the basic program of group health benefits provided for
24 annuitants under this Act.

25 (b-7) "New TRS State annuitant" means a person who, on or
26 after July 1, 1998, becomes an annuitant, as defined in

1 subsection (b), by virtue of beginning to receive a retirement
2 annuity under Article 16 of the Illinois Pension Code based on
3 service as a teacher as defined in paragraph (2), (3), or (5)
4 of Section 16-106 of that Code, and is eligible to participate
5 in the basic program of group health benefits provided for
6 annuitants under this Act.

7 (c) "Carrier" means (1) an insurance company, a corporation
8 organized under the Limited Health Service Organization Act or
9 the Voluntary Health Services Plan Act, a partnership, or other
10 nongovernmental organization, which is authorized to do group
11 life or group health insurance business in Illinois, or (2) the
12 State of Illinois as a self-insurer.

13 (d) "Compensation" means salary or wages payable on a
14 regular payroll by the State Treasurer on a warrant of the
15 State Comptroller out of any State, trust or federal fund, or
16 by the Governor of the State through a disbursing officer of
17 the State out of a trust or out of federal funds, or by any
18 Department out of State, trust, federal or other funds held by
19 the State Treasurer or the Department, to any person for
20 personal services currently performed, and ordinary or
21 accidental disability benefits under Articles 2, 14, 15
22 (including ordinary or accidental disability benefits under
23 the optional retirement program established under Section
24 15-158.2), paragraphs (2), (3), or (5) of Section 16-106, or
25 Article 18 of the Illinois Pension Code, for disability
26 incurred after January 1, 1966, or benefits payable under the

1 Workers' Compensation or Occupational Diseases Act or benefits
2 payable under a sick pay plan established in accordance with
3 Section 36 of the State Finance Act. "Compensation" also means
4 salary or wages paid to an employee of any qualified local
5 government, qualified rehabilitation facility, qualified
6 domestic violence shelter or service, or qualified child
7 advocacy center.

8 (e) "Commission" means the State Employees Group Insurance
9 Advisory Commission authorized by this Act. Commencing July 1,
10 1984, "Commission" as used in this Act means the Commission on
11 Government Forecasting and Accountability as established by
12 the Legislative Commission Reorganization Act of 1984.

13 (f) "Contributory", when referred to as contributory
14 coverage, shall mean optional coverages or benefits elected by
15 the member toward the cost of which such member makes
16 contribution, or which are funded in whole or in part through
17 the acceptance of a reduction in earnings or the foregoing of
18 an increase in earnings by an employee, as distinguished from
19 noncontributory coverage or benefits which are paid entirely by
20 the State of Illinois without reduction of the member's salary.

21 (g) "Department" means any department, institution, board,
22 commission, officer, court or any agency of the State
23 government receiving appropriations and having power to
24 certify payrolls to the Comptroller authorizing payments of
25 salary and wages against such appropriations as are made by the
26 General Assembly from any State fund, or against trust funds

1 held by the State Treasurer and includes boards of trustees of
2 the retirement systems created by Articles 2, 14, 15, 16 and 18
3 of the Illinois Pension Code. "Department" also includes the
4 Illinois Comprehensive Health Insurance Board, the Board of
5 Examiners established under the Illinois Public Accounting
6 Act, and the Illinois Finance Authority.

7 (h) "Dependent", when the term is used in the context of
8 the health and life plan, means a member's spouse and any
9 ~~unmarried~~ child (1) from birth to age 26 ~~19~~ including an
10 adopted child, a child who lives with the member from the time
11 of the filing of a petition for adoption until entry of an
12 order of adoption, a stepchild or adjudicated ~~recognized~~ child
13 ~~who lives with the member in a parent-child relationship~~, or a
14 child who lives with the member if such member is a court
15 appointed guardian of the child or, (2) ~~age 19 to 24 enrolled~~
16 ~~as a full time student in any accredited school, financially~~
17 ~~dependent upon the member, and eligible to be claimed as a~~
18 ~~dependent for income tax purposes, (2.1) age 19 to 24 on a~~
19 ~~medical leave of absence as described in Section 356z.11 of the~~
20 ~~Illinois Insurance Code (215 ILCS 5/356z.11), or (3) age 19 or~~
21 over who is mentally or physically disabled from a cause
22 originating prior to the age of 19 (age 26 if enrolled as an
23 adult child dependent) handicapped. For the purposes of item
24 ~~(2), an unmarried child age 19 to 24 who is a member of the~~
25 ~~United States Armed Services, including the Illinois National~~
26 ~~Guard, and is mobilized to active duty shall qualify as a~~

1 ~~dependent beyond the age of 24 and until the age of 25 and~~
2 ~~while a full-time student for the amount of time spent on~~
3 ~~active duty between the ages of 19 and 24. The individual~~
4 ~~attempting to qualify for this additional time must submit~~
5 ~~written documentation of active duty service to the Director.~~
6 ~~The changes made by this amendatory Act of the 94th General~~
7 ~~Assembly apply only to individuals mobilized to active duty in~~
8 ~~the United States Armed Services, including the Illinois~~
9 ~~National Guard, on or after January 1, 2002. For the health~~
10 ~~plan only, the term "dependent" also includes (1) any person~~
11 ~~enrolled prior to the effective date of this Section who is~~
12 ~~dependent upon the member to the extent that the member may~~
13 ~~claim such person as a dependent for income tax deduction~~
14 ~~purposes and (2); no other such person may be enrolled. For the~~
15 ~~health plan only, the term "dependent" also includes any person~~
16 ~~who has received after June 30, 2000 an organ transplant and~~
17 ~~who is financially dependent upon the member and eligible to be~~
18 ~~claimed as a dependent for income tax purposes. A member~~
19 ~~requesting to cover any dependent must provide documentation as~~
20 ~~requested by the Department of Central Management Services and~~
21 ~~file with the Department any and all forms required by the~~
22 ~~Department.~~

23 (i) "Director" means the Director of the Illinois
24 Department of Central Management Services or of any successor
25 agency designated to administer this Act.

26 (j) "Eligibility period" means the period of time a member

1 has to elect enrollment in programs or to select benefits
2 without regard to age, sex or health.

3 (k) "Employee" means and includes each officer or employee
4 in the service of a department who (1) receives his
5 compensation for service rendered to the department on a
6 warrant issued pursuant to a payroll certified by a department
7 or on a warrant or check issued and drawn by a department upon
8 a trust, federal or other fund or on a warrant issued pursuant
9 to a payroll certified by an elected or duly appointed officer
10 of the State or who receives payment of the performance of
11 personal services on a warrant issued pursuant to a payroll
12 certified by a Department and drawn by the Comptroller upon the
13 State Treasurer against appropriations made by the General
14 Assembly from any fund or against trust funds held by the State
15 Treasurer, and (2) is employed full-time or part-time in a
16 position normally requiring actual performance of duty during
17 not less than 1/2 of a normal work period, as established by
18 the Director in cooperation with each department, except that
19 persons elected by popular vote will be considered employees
20 during the entire term for which they are elected regardless of
21 hours devoted to the service of the State, and (3) except that
22 "employee" does not include any person who is not eligible by
23 reason of such person's employment to participate in one of the
24 State retirement systems under Articles 2, 14, 15 (either the
25 regular Article 15 system or the optional retirement program
26 established under Section 15-158.2) or 18, or under paragraph

1 (2), (3), or (5) of Section 16-106, of the Illinois Pension
2 Code, but such term does include persons who are employed
3 during the 6 month qualifying period under Article 14 of the
4 Illinois Pension Code. Such term also includes any person who
5 (1) after January 1, 1966, is receiving ordinary or accidental
6 disability benefits under Articles 2, 14, 15 (including
7 ordinary or accidental disability benefits under the optional
8 retirement program established under Section 15-158.2),
9 paragraphs (2), (3), or (5) of Section 16-106, or Article 18 of
10 the Illinois Pension Code, for disability incurred after
11 January 1, 1966, (2) receives total permanent or total
12 temporary disability under the Workers' Compensation Act or
13 Occupational Disease Act as a result of injuries sustained or
14 illness contracted in the course of employment with the State
15 of Illinois, or (3) is not otherwise covered under this Act and
16 has retired as a participating member under Article 2 of the
17 Illinois Pension Code but is ineligible for the retirement
18 annuity under Section 2-119 of the Illinois Pension Code.
19 However, a person who satisfies the criteria of the foregoing
20 definition of "employee" except that such person is made
21 ineligible to participate in the State Universities Retirement
22 System by clause (4) of subsection (a) of Section 15-107 of the
23 Illinois Pension Code is also an "employee" for the purposes of
24 this Act. "Employee" also includes any person receiving or
25 eligible for benefits under a sick pay plan established in
26 accordance with Section 36 of the State Finance Act. "Employee"

1 also includes (i) each officer or employee in the service of a
2 qualified local government, including persons appointed as
3 trustees of sanitary districts regardless of hours devoted to
4 the service of the sanitary district, (ii) each employee in the
5 service of a qualified rehabilitation facility, (iii) each
6 full-time employee in the service of a qualified domestic
7 violence shelter or service, and (iv) each full-time employee
8 in the service of a qualified child advocacy center, as
9 determined according to rules promulgated by the Director.

10 (l) "Member" means an employee, annuitant, retired
11 employee or survivor.

12 (m) "Optional coverages or benefits" means those coverages
13 or benefits available to the member on his or her voluntary
14 election, and at his or her own expense.

15 (n) "Program" means the group life insurance, health
16 benefits and other employee benefits designed and contracted
17 for by the Director under this Act.

18 (o) "Health plan" means a health benefits program offered
19 by the State of Illinois for persons eligible for the plan.

20 (p) "Retired employee" means any person who would be an
21 annuitant as that term is defined herein but for the fact that
22 such person retired prior to January 1, 1966. Such term also
23 includes any person formerly employed by the University of
24 Illinois in the Cooperative Extension Service who would be an
25 annuitant but for the fact that such person was made ineligible
26 to participate in the State Universities Retirement System by

1 clause (4) of subsection (a) of Section 15-107 of the Illinois
2 Pension Code.

3 (q) "Survivor" means a person receiving an annuity as a
4 survivor of an employee or of an annuitant. "Survivor" also
5 includes: (1) the surviving dependent of a person who satisfies
6 the definition of "employee" except that such person is made
7 ineligible to participate in the State Universities Retirement
8 System by clause (4) of subsection (a) of Section 15-107 of the
9 Illinois Pension Code; (2) the surviving dependent of any
10 person formerly employed by the University of Illinois in the
11 Cooperative Extension Service who would be an annuitant except
12 for the fact that such person was made ineligible to
13 participate in the State Universities Retirement System by
14 clause (4) of subsection (a) of Section 15-107 of the Illinois
15 Pension Code; and (3) the surviving dependent of a person who
16 was an annuitant under this Act by virtue of receiving an
17 alternative retirement cancellation payment under Section
18 14-108.5 of the Illinois Pension Code.

19 (q-2) "SERS" means the State Employees' Retirement System
20 of Illinois, created under Article 14 of the Illinois Pension
21 Code.

22 (q-3) "SURS" means the State Universities Retirement
23 System, created under Article 15 of the Illinois Pension Code.

24 (q-4) "TRS" means the Teachers' Retirement System of the
25 State of Illinois, created under Article 16 of the Illinois
26 Pension Code.

1 (q-5) "New SERS survivor" means a survivor, as defined in
2 subsection (q), whose annuity is paid under Article 14 of the
3 Illinois Pension Code and is based on the death of (i) an
4 employee whose death occurs on or after January 1, 1998, or
5 (ii) a new SERS annuitant as defined in subsection (b-5). "New
6 SERS survivor" includes the surviving dependent of a person who
7 was an annuitant under this Act by virtue of receiving an
8 alternative retirement cancellation payment under Section
9 14-108.5 of the Illinois Pension Code.

10 (q-6) "New SURS survivor" means a survivor, as defined in
11 subsection (q), whose annuity is paid under Article 15 of the
12 Illinois Pension Code and is based on the death of (i) an
13 employee whose death occurs on or after January 1, 1998, or
14 (ii) a new SURS annuitant as defined in subsection (b-6).

15 (q-7) "New TRS State survivor" means a survivor, as defined
16 in subsection (q), whose annuity is paid under Article 16 of
17 the Illinois Pension Code and is based on the death of (i) an
18 employee who is a teacher as defined in paragraph (2), (3), or
19 (5) of Section 16-106 of that Code and whose death occurs on or
20 after July 1, 1998, or (ii) a new TRS State annuitant as
21 defined in subsection (b-7).

22 (r) "Medical services" means the services provided within
23 the scope of their licenses by practitioners in all categories
24 licensed under the Medical Practice Act of 1987.

25 (s) "Unit of local government" means any county,
26 municipality, township, school district (including a

1 combination of school districts under the Intergovernmental
2 Cooperation Act), special district or other unit, designated as
3 a unit of local government by law, which exercises limited
4 governmental powers or powers in respect to limited
5 governmental subjects, any not-for-profit association with a
6 membership that primarily includes townships and township
7 officials, that has duties that include provision of research
8 service, dissemination of information, and other acts for the
9 purpose of improving township government, and that is funded
10 wholly or partly in accordance with Section 85-15 of the
11 Township Code; any not-for-profit corporation or association,
12 with a membership consisting primarily of municipalities, that
13 operates its own utility system, and provides research,
14 training, dissemination of information, or other acts to
15 promote cooperation between and among municipalities that
16 provide utility services and for the advancement of the goals
17 and purposes of its membership; the Southern Illinois
18 Collegiate Common Market, which is a consortium of higher
19 education institutions in Southern Illinois; the Illinois
20 Association of Park Districts; and any hospital provider that
21 is owned by a county that has 100 or fewer hospital beds and
22 has not already joined the program. "Qualified local
23 government" means a unit of local government approved by the
24 Director and participating in a program created under
25 subsection (i) of Section 10 of this Act.

26 (t) "Qualified rehabilitation facility" means any

1 not-for-profit organization that is accredited by the
2 Commission on Accreditation of Rehabilitation Facilities or
3 certified by the Department of Human Services (as successor to
4 the Department of Mental Health and Developmental
5 Disabilities) to provide services to persons with disabilities
6 and which receives funds from the State of Illinois for
7 providing those services, approved by the Director and
8 participating in a program created under subsection (j) of
9 Section 10 of this Act.

10 (u) "Qualified domestic violence shelter or service" means
11 any Illinois domestic violence shelter or service and its
12 administrative offices funded by the Department of Human
13 Services (as successor to the Illinois Department of Public
14 Aid), approved by the Director and participating in a program
15 created under subsection (k) of Section 10.

16 (v) "TRS benefit recipient" means a person who:

17 (1) is not a "member" as defined in this Section; and

18 (2) is receiving a monthly benefit or retirement
19 annuity under Article 16 of the Illinois Pension Code; and

20 (3) either (i) has at least 8 years of creditable
21 service under Article 16 of the Illinois Pension Code, or
22 (ii) was enrolled in the health insurance program offered
23 under that Article on January 1, 1996, or (iii) is the
24 survivor of a benefit recipient who had at least 8 years of
25 creditable service under Article 16 of the Illinois Pension
26 Code or was enrolled in the health insurance program

1 offered under that Article on the effective date of this
2 amendatory Act of 1995, or (iv) is a recipient or survivor
3 of a recipient of a disability benefit under Article 16 of
4 the Illinois Pension Code.

5 (w) "TRS dependent beneficiary" means a person who:

6 (1) is not a "member" or "dependent" as defined in this
7 Section; and

8 (2) is a TRS benefit recipient's: (A) spouse, (B)
9 dependent parent who is receiving at least half of his or
10 her support from the TRS benefit recipient, or (C)
11 ~~unmarried~~ natural, step, adjudicated, or adopted child who
12 is (i) under age 26 ~~19~~, ~~or~~ (ii) ~~enrolled as a full-time~~
13 ~~student in an accredited school, financially dependent~~
14 ~~upon the TRS benefit recipient, eligible to be claimed as a~~
15 ~~dependent for income tax purposes, and either is under age~~
16 ~~24 or~~ was, on January 1, 1996, participating as a dependent
17 beneficiary in the health insurance program offered under
18 Article 16 of the Illinois Pension Code, or (iii) age 19 or
19 over who is mentally or physically disabled from a cause
20 originating prior to the age of 19 (age 26 if enrolled as
21 adult child) handicapped.

22 (x) "Military leave ~~with pay and benefits~~" refers to
23 individuals in basic training for reserves, special/advanced
24 training, annual training, emergency call up, ~~or~~ activation by
25 the President of the United States, or any other training or
26 duty in service to the United States Armed Forces ~~with~~

1 ~~approved pay and benefits.~~

2 (y) (Blank). ~~"Military leave without pay and benefits"~~
3 ~~refers to individuals who enlist for active duty in a regular~~
4 ~~component of the U.S. Armed Forces or other duty not specified~~
5 ~~or authorized under military leave with pay and benefits.~~

6 (z) "Community college benefit recipient" means a person
7 who:

8 (1) is not a "member" as defined in this Section; and

9 (2) is receiving a monthly survivor's annuity or
10 retirement annuity under Article 15 of the Illinois Pension
11 Code; and

12 (3) either (i) was a full-time employee of a community
13 college district or an association of community college
14 boards created under the Public Community College Act
15 (other than an employee whose last employer under Article
16 15 of the Illinois Pension Code was a community college
17 district subject to Article VII of the Public Community
18 College Act) and was eligible to participate in a group
19 health benefit plan as an employee during the time of
20 employment with a community college district (other than a
21 community college district subject to Article VII of the
22 Public Community College Act) or an association of
23 community college boards, or (ii) is the survivor of a
24 person described in item (i).

25 (aa) "Community college dependent beneficiary" means a
26 person who:

1 (1) is not a "member" or "dependent" as defined in this
2 Section; and

3 (2) is a community college benefit recipient's: (A)
4 spouse, (B) dependent parent who is receiving at least half
5 of his or her support from the community college benefit
6 recipient, or (C) ~~unmarried~~ natural, step, adjudicated, or
7 adopted child who is (i) under age ~~26~~ 19, or (ii) ~~enrolled~~
8 ~~as a full time student in an accredited school, financially~~
9 ~~dependent upon the community college benefit recipient,~~
10 ~~eligible to be claimed as a dependent for income tax~~
11 ~~purposes and under age 23, or (iii) age 19 or over and~~
12 ~~mentally or physically~~ disabled from a cause originating
13 prior to the age of 19 (age 26 if enrolled as an adult
14 child) handicapped.

15 (bb) "Qualified child advocacy center" means any Illinois
16 child advocacy center and its administrative offices funded by
17 the Department of Children and Family Services, as defined by
18 the Children's Advocacy Center Act (55 ILCS 80/), approved by
19 the Director and participating in a program created under
20 subsection (n) of Section 10.

21 (Source: P.A. 95-331, eff. 8-21-07; 95-632, eff. 9-25-07;
22 96-756, eff. 1-1-10.)

23 (5 ILCS 375/6.5)

24 Sec. 6.5. Health benefits for TRS benefit recipients and
25 TRS dependent beneficiaries.

1 (a) Purpose. It is the purpose of this amendatory Act of
2 1995 to transfer the administration of the program of health
3 benefits established for benefit recipients and their
4 dependent beneficiaries under Article 16 of the Illinois
5 Pension Code to the Department of Central Management Services.

6 (b) Transition provisions. The Board of Trustees of the
7 Teachers' Retirement System shall continue to administer the
8 health benefit program established under Article 16 of the
9 Illinois Pension Code through December 31, 1995. Beginning
10 January 1, 1996, the Department of Central Management Services
11 shall be responsible for administering a program of health
12 benefits for TRS benefit recipients and TRS dependent
13 beneficiaries under this Section. The Department of Central
14 Management Services and the Teachers' Retirement System shall
15 cooperate in this endeavor and shall coordinate their
16 activities so as to ensure a smooth transition and
17 uninterrupted health benefit coverage.

18 (c) Eligibility. All persons who were enrolled in the
19 Article 16 program at the time of the transfer shall be
20 eligible to participate in the program established under this
21 Section without any interruption or delay in coverage or
22 limitation as to pre-existing medical conditions. Eligibility
23 to participate shall be determined by the Teachers' Retirement
24 System. Eligibility information shall be communicated to the
25 Department of Central Management Services in a format
26 acceptable to the Department.

1 A TRS dependent beneficiary who is a ~~an unmarried~~ child age
2 19 or over and mentally or physically disabled does not become
3 ineligible to participate by reason of (i) becoming ineligible
4 to be claimed as a dependent for Illinois or federal income tax
5 purposes or (ii) receiving earned income, so long as those
6 earnings are insufficient for the child to be fully
7 self-sufficient.

8 (d) Coverage. The level of health benefits provided under
9 this Section shall be similar to the level of benefits provided
10 by the program previously established under Article 16 of the
11 Illinois Pension Code.

12 Group life insurance benefits are not included in the
13 benefits to be provided to TRS benefit recipients and TRS
14 dependent beneficiaries under this Act.

15 The program of health benefits under this Section may
16 include any or all of the benefit limitations, including but
17 not limited to a reduction in benefits based on eligibility for
18 federal medicare benefits, that are provided under subsection
19 (a) of Section 6 of this Act for other health benefit programs
20 under this Act.

21 (e) Insurance rates and premiums. The Director shall
22 determine the insurance rates and premiums for TRS benefit
23 recipients and TRS dependent beneficiaries, and shall present
24 to the Teachers' Retirement System of the State of Illinois, by
25 April 15 of each calendar year, the rate-setting methodology
26 (including but not limited to utilization levels and costs)

1 used to determine the amount of the health care premiums.

2 For Fiscal Year 1996, the premium shall be equal to the
3 premium actually charged in Fiscal Year 1995; in subsequent
4 years, the premium shall never be lower than the premium
5 charged in Fiscal Year 1995.

6 For Fiscal Year 2003, the premium shall not exceed 110%
7 of the premium actually charged in Fiscal Year 2002.

8 For Fiscal Year 2004, the premium shall not exceed 112%
9 of the premium actually charged in Fiscal Year 2003.

10 For Fiscal Year 2005, the premium shall not exceed a
11 weighted average of 106.6% of the premium actually charged
12 in Fiscal Year 2004.

13 For Fiscal Year 2006, the premium shall not exceed a
14 weighted average of 109.1% of the premium actually charged
15 in Fiscal Year 2005.

16 For Fiscal Year 2007, the premium shall not exceed a
17 weighted average of 103.9% of the premium actually charged
18 in Fiscal Year 2006.

19 For Fiscal Year 2008 and thereafter, the premium in
20 each fiscal year shall not exceed 105% of the premium
21 actually charged in the previous fiscal year.

22 Rates and premiums may be based in part on age and
23 eligibility for federal medicare coverage. However, the cost of
24 participation for a TRS dependent beneficiary who is an
25 unmarried child age 19 or over and mentally or physically
26 disabled shall not exceed the cost for a TRS dependent

1 beneficiary who is an unmarried child under age 19 and
2 participates in the same major medical or managed care program.

3 The cost of health benefits under the program shall be paid
4 as follows:

5 (1) For a TRS benefit recipient selecting a managed
6 care program, up to 75% of the total insurance rate shall
7 be paid from the Teacher Health Insurance Security Fund.
8 Effective with Fiscal Year 2007 and thereafter, for a TRS
9 benefit recipient selecting a managed care program, 75% of
10 the total insurance rate shall be paid from the Teacher
11 Health Insurance Security Fund.

12 (2) For a TRS benefit recipient selecting the major
13 medical coverage program, up to 50% of the total insurance
14 rate shall be paid from the Teacher Health Insurance
15 Security Fund if a managed care program is accessible, as
16 determined by the Teachers' Retirement System. Effective
17 with Fiscal Year 2007 and thereafter, for a TRS benefit
18 recipient selecting the major medical coverage program,
19 50% of the total insurance rate shall be paid from the
20 Teacher Health Insurance Security Fund if a managed care
21 program is accessible, as determined by the Department of
22 Central Management Services.

23 (3) For a TRS benefit recipient selecting the major
24 medical coverage program, up to 75% of the total insurance
25 rate shall be paid from the Teacher Health Insurance
26 Security Fund if a managed care program is not accessible,

1 as determined by the Teachers' Retirement System.
2 Effective with Fiscal Year 2007 and thereafter, for a TRS
3 benefit recipient selecting the major medical coverage
4 program, 75% of the total insurance rate shall be paid from
5 the Teacher Health Insurance Security Fund if a managed
6 care program is not accessible, as determined by the
7 Department of Central Management Services.

8 (3.1) For a TRS dependent beneficiary who is Medicare
9 primary and enrolled in a managed care plan, or the major
10 medical coverage program if a managed care plan is not
11 available, 25% of the total insurance rate shall be paid
12 from the Teacher Health Security Fund as determined by the
13 Department of Central Management Services. For the purpose
14 of this item (3.1), the term "TRS dependent beneficiary who
15 is Medicare primary" means a TRS dependent beneficiary who
16 is participating in Medicare Parts A and B.

17 (4) Except as otherwise provided in item (3.1), the
18 balance of the rate of insurance, including the entire
19 premium of any coverage for TRS dependent beneficiaries
20 that has been elected, shall be paid by deductions
21 authorized by the TRS benefit recipient to be withheld from
22 his or her monthly annuity or benefit payment from the
23 Teachers' Retirement System; except that (i) if the balance
24 of the cost of coverage exceeds the amount of the monthly
25 annuity or benefit payment, the difference shall be paid
26 directly to the Teachers' Retirement System by the TRS

1 benefit recipient, and (ii) all or part of the balance of
2 the cost of coverage may, at the school board's option, be
3 paid to the Teachers' Retirement System by the school board
4 of the school district from which the TRS benefit recipient
5 retired, in accordance with Section 10-22.3b of the School
6 Code. The Teachers' Retirement System shall promptly
7 deposit all moneys withheld by or paid to it under this
8 subdivision (e)(4) into the Teacher Health Insurance
9 Security Fund. These moneys shall not be considered assets
10 of the Retirement System.

11 (f) Financing. Beginning July 1, 1995, all revenues arising
12 from the administration of the health benefit programs
13 established under Article 16 of the Illinois Pension Code or
14 this Section shall be deposited into the Teacher Health
15 Insurance Security Fund, which is hereby created as a
16 nonappropriated trust fund to be held outside the State
17 Treasury, with the State Treasurer as custodian. Any interest
18 earned on moneys in the Teacher Health Insurance Security Fund
19 shall be deposited into the Fund.

20 Moneys in the Teacher Health Insurance Security Fund shall
21 be used only to pay the costs of the health benefit program
22 established under this Section, including associated
23 administrative costs, and the costs associated with the health
24 benefit program established under Article 16 of the Illinois
25 Pension Code, as authorized in this Section. Beginning July 1,
26 1995, the Department of Central Management Services may make

1 expenditures from the Teacher Health Insurance Security Fund
2 for those costs.

3 After other funds authorized for the payment of the costs
4 of the health benefit program established under Article 16 of
5 the Illinois Pension Code are exhausted and until January 1,
6 1996 (or such later date as may be agreed upon by the Director
7 of Central Management Services and the Secretary of the
8 Teachers' Retirement System), the Secretary of the Teachers'
9 Retirement System may make expenditures from the Teacher Health
10 Insurance Security Fund as necessary to pay up to 75% of the
11 cost of providing health coverage to eligible benefit
12 recipients (as defined in Sections 16-153.1 and 16-153.3 of the
13 Illinois Pension Code) who are enrolled in the Article 16
14 health benefit program and to facilitate the transfer of
15 administration of the health benefit program to the Department
16 of Central Management Services.

17 The Department of Healthcare and Family Services, or any
18 successor agency designated to procure healthcare contracts
19 pursuant to this Act, is authorized to establish funds,
20 separate accounts provided by any bank or banks as defined by
21 the Illinois Banking Act, or separate accounts provided by any
22 savings and loan association or associations as defined by the
23 Illinois Savings and Loan Act of 1985 to be held by the
24 Director, outside the State treasury, for the purpose of
25 receiving the transfer of moneys from the Teacher Health
26 Insurance Security Fund. The Department may promulgate rules

1 further defining the methodology for the transfers. Any
2 interest earned by moneys in the funds or accounts shall inure
3 to the Teacher Health Insurance Security Fund. The transferred
4 moneys, and interest accrued thereon, shall be used exclusively
5 for transfers to administrative service organizations or their
6 financial institutions for payments of claims to claimants and
7 providers under the self-insurance health plan. The
8 transferred moneys, and interest accrued thereon, shall not be
9 used for any other purpose including, but not limited to,
10 reimbursement of administration fees due the administrative
11 service organization pursuant to its contract or contracts with
12 the Department.

13 (g) Contract for benefits. The Director shall by contract,
14 self-insurance, or otherwise make available the program of
15 health benefits for TRS benefit recipients and their TRS
16 dependent beneficiaries that is provided for in this Section.
17 The contract or other arrangement for the provision of these
18 health benefits shall be on terms deemed by the Director to be
19 in the best interest of the State of Illinois and the TRS
20 benefit recipients based on, but not limited to, such criteria
21 as administrative cost, service capabilities of the carrier or
22 other contractor, and the costs of the benefits.

23 (g-5) Committee. A Teacher Retirement Insurance Program
24 Committee shall be established, to consist of 10 persons
25 appointed by the Governor.

26 The Committee shall convene at least 4 times each year, and

1 shall consider and make recommendations on issues affecting the
2 program of health benefits provided under this Section.
3 Recommendations of the Committee shall be based on a consensus
4 of the members of the Committee.

5 If the Teacher Health Insurance Security Fund experiences a
6 deficit balance based upon the contribution and subsidy rates
7 established in this Section and Section 6.6 for Fiscal Year
8 2008 or thereafter, the Committee shall make recommendations
9 for adjustments to the funding sources established under these
10 Sections.

11 (h) Continuation of program. It is the intention of the
12 General Assembly that the program of health benefits provided
13 under this Section be maintained on an ongoing, affordable
14 basis.

15 The program of health benefits provided under this Section
16 may be amended by the State and is not intended to be a pension
17 or retirement benefit subject to protection under Article XIII,
18 Section 5 of the Illinois Constitution.

19 (i) Repeal. (Blank).

20 (Source: P.A. 95-632, eff. 9-25-07.)

21 (5 ILCS 375/10) (from Ch. 127, par. 530)

22 Sec. 10. Payments by State; premiums.

23 (a) The State shall pay the cost of basic non-contributory
24 group life insurance and, subject to member paid contributions
25 set by the Department or required by this Section, the basic

1 program of group health benefits on each eligible member,
2 except a member, not otherwise covered by this Act, who has
3 retired as a participating member under Article 2 of the
4 Illinois Pension Code but is ineligible for the retirement
5 annuity under Section 2-119 of the Illinois Pension Code, and
6 part of each eligible member's and retired member's premiums
7 for health insurance coverage for enrolled dependents as
8 provided by Section 9. The State shall pay the cost of the
9 basic program of group health benefits only after benefits are
10 reduced by the amount of benefits covered by Medicare for all
11 members and dependents who are eligible for benefits under
12 Social Security or the Railroad Retirement system or who had
13 sufficient Medicare-covered government employment, except that
14 such reduction in benefits shall apply only to those members
15 and dependents who (1) first become eligible for such Medicare
16 coverage on or after July 1, 1992; or (2) are Medicare-eligible
17 members or dependents of a local government unit which began
18 participation in the program on or after July 1, 1992; or (3)
19 remain eligible for, but no longer receive Medicare coverage
20 which they had been receiving on or after July 1, 1992. The
21 Department may determine the aggregate level of the State's
22 contribution on the basis of actual cost of medical services
23 adjusted for age, sex or geographic or other demographic
24 characteristics which affect the costs of such programs.

25 The cost of participation in the basic program of group
26 health benefits for the dependent or survivor of a living or

1 deceased retired employee who was formerly employed by the
2 University of Illinois in the Cooperative Extension Service and
3 would be an annuitant but for the fact that he or she was made
4 ineligible to participate in the State Universities Retirement
5 System by clause (4) of subsection (a) of Section 15-107 of the
6 Illinois Pension Code shall not be greater than the cost of
7 participation that would otherwise apply to that dependent or
8 survivor if he or she were the dependent or survivor of an
9 annuitant under the State Universities Retirement System.

10 (a-1) Beginning January 1, 1998, for each person who
11 becomes a new SERS annuitant and participates in the basic
12 program of group health benefits, the State shall contribute
13 toward the cost of the annuitant's coverage under the basic
14 program of group health benefits an amount equal to 5% of that
15 cost for each full year of creditable service upon which the
16 annuitant's retirement annuity is based, up to a maximum of
17 100% for an annuitant with 20 or more years of creditable
18 service. The remainder of the cost of a new SERS annuitant's
19 coverage under the basic program of group health benefits shall
20 be the responsibility of the annuitant. In the case of a new
21 SERS annuitant who has elected to receive an alternative
22 retirement cancellation payment under Section 14-108.5 of the
23 Illinois Pension Code in lieu of an annuity, for the purposes
24 of this subsection the annuitant shall be deemed to be
25 receiving a retirement annuity based on the number of years of
26 creditable service that the annuitant had established at the

1 time of his or her termination of service under SERS.

2 (a-2) Beginning January 1, 1998, for each person who
3 becomes a new SERS survivor and participates in the basic
4 program of group health benefits, the State shall contribute
5 toward the cost of the survivor's coverage under the basic
6 program of group health benefits an amount equal to 5% of that
7 cost for each full year of the deceased employee's or deceased
8 annuitant's creditable service in the State Employees'
9 Retirement System of Illinois on the date of death, up to a
10 maximum of 100% for a survivor of an employee or annuitant with
11 20 or more years of creditable service. The remainder of the
12 cost of the new SERS survivor's coverage under the basic
13 program of group health benefits shall be the responsibility of
14 the survivor. In the case of a new SERS survivor who was the
15 dependent of an annuitant who elected to receive an alternative
16 retirement cancellation payment under Section 14-108.5 of the
17 Illinois Pension Code in lieu of an annuity, for the purposes
18 of this subsection the deceased annuitant's creditable service
19 shall be determined as of the date of termination of service
20 rather than the date of death.

21 (a-3) Beginning January 1, 1998, for each person who
22 becomes a new SURS annuitant and participates in the basic
23 program of group health benefits, the State shall contribute
24 toward the cost of the annuitant's coverage under the basic
25 program of group health benefits an amount equal to 5% of that
26 cost for each full year of creditable service upon which the

1 annuitant's retirement annuity is based, up to a maximum of
2 100% for an annuitant with 20 or more years of creditable
3 service. The remainder of the cost of a new SURS annuitant's
4 coverage under the basic program of group health benefits shall
5 be the responsibility of the annuitant.

6 (a-4) (Blank).

7 (a-5) Beginning January 1, 1998, for each person who
8 becomes a new SURS survivor and participates in the basic
9 program of group health benefits, the State shall contribute
10 toward the cost of the survivor's coverage under the basic
11 program of group health benefits an amount equal to 5% of that
12 cost for each full year of the deceased employee's or deceased
13 annuitant's creditable service in the State Universities
14 Retirement System on the date of death, up to a maximum of 100%
15 for a survivor of an employee or annuitant with 20 or more
16 years of creditable service. The remainder of the cost of the
17 new SURS survivor's coverage under the basic program of group
18 health benefits shall be the responsibility of the survivor.

19 (a-6) Beginning July 1, 1998, for each person who becomes a
20 new TRS State annuitant and participates in the basic program
21 of group health benefits, the State shall contribute toward the
22 cost of the annuitant's coverage under the basic program of
23 group health benefits an amount equal to 5% of that cost for
24 each full year of creditable service as a teacher as defined in
25 paragraph (2), (3), or (5) of Section 16-106 of the Illinois
26 Pension Code upon which the annuitant's retirement annuity is

1 based, up to a maximum of 100%; except that the State
2 contribution shall be 12.5% per year (rather than 5%) for each
3 full year of creditable service as a regional superintendent or
4 assistant regional superintendent of schools. The remainder of
5 the cost of a new TRS State annuitant's coverage under the
6 basic program of group health benefits shall be the
7 responsibility of the annuitant.

8 (a-7) Beginning July 1, 1998, for each person who becomes a
9 new TRS State survivor and participates in the basic program of
10 group health benefits, the State shall contribute toward the
11 cost of the survivor's coverage under the basic program of
12 group health benefits an amount equal to 5% of that cost for
13 each full year of the deceased employee's or deceased
14 annuitant's creditable service as a teacher as defined in
15 paragraph (2), (3), or (5) of Section 16-106 of the Illinois
16 Pension Code on the date of death, up to a maximum of 100%;
17 except that the State contribution shall be 12.5% per year
18 (rather than 5%) for each full year of the deceased employee's
19 or deceased annuitant's creditable service as a regional
20 superintendent or assistant regional superintendent of
21 schools. The remainder of the cost of the new TRS State
22 survivor's coverage under the basic program of group health
23 benefits shall be the responsibility of the survivor.

24 (a-8) A new SERS annuitant, new SERS survivor, new SURS
25 annuitant, new SURS survivor, new TRS State annuitant, or new
26 TRS State survivor may waive or terminate coverage in the

1 program of group health benefits. Any such annuitant or
2 survivor who has waived or terminated coverage may enroll or
3 re-enroll in the program of group health benefits only during
4 the annual benefit choice period, as determined by the
5 Director; except that in the event of termination of coverage
6 due to nonpayment of premiums, the annuitant or survivor may
7 not re-enroll in the program.

8 (a-9) No later than May 1 of each calendar year, the
9 Director of Central Management Services shall certify in
10 writing to the Executive Secretary of the State Employees'
11 Retirement System of Illinois the amounts of the Medicare
12 supplement health care premiums and the amounts of the health
13 care premiums for all other retirees who are not Medicare
14 eligible.

15 A separate calculation of the premiums based upon the
16 actual cost of each health care plan shall be so certified.

17 The Director of Central Management Services shall provide
18 to the Executive Secretary of the State Employees' Retirement
19 System of Illinois such information, statistics, and other data
20 as he or she may require to review the premium amounts
21 certified by the Director of Central Management Services.

22 The Department of Healthcare and Family Services, or any
23 successor agency designated to procure healthcare contracts
24 pursuant to this Act, is authorized to establish funds,
25 separate accounts provided by any bank or banks as defined by
26 the Illinois Banking Act, or separate accounts provided by any

1 savings and loan association or associations as defined by the
2 Illinois Savings and Loan Act of 1985 to be held by the
3 Director, outside the State treasury, for the purpose of
4 receiving the transfer of moneys from the Local Government
5 Health Insurance Reserve Fund. The Department may promulgate
6 rules further defining the methodology for the transfers. Any
7 interest earned by moneys in the funds or accounts shall inure
8 to the Local Government Health Insurance Reserve Fund. The
9 transferred moneys, and interest accrued thereon, shall be used
10 exclusively for transfers to administrative service
11 organizations or their financial institutions for payments of
12 claims to claimants and providers under the self-insurance
13 health plan. The transferred moneys, and interest accrued
14 thereon, shall not be used for any other purpose including, but
15 not limited to, reimbursement of administration fees due the
16 administrative service organization pursuant to its contract
17 or contracts with the Department.

18 (b) State employees who become eligible for this program on
19 or after January 1, 1980 in positions normally requiring actual
20 performance of duty not less than 1/2 of a normal work period
21 but not equal to that of a normal work period, shall be given
22 the option of participating in the available program. If the
23 employee elects coverage, the State shall contribute on behalf
24 of such employee to the cost of the employee's benefit and any
25 applicable dependent supplement, that sum which bears the same
26 percentage as that percentage of time the employee regularly

1 works when compared to normal work period.

2 (c) The basic non-contributory coverage from the basic
3 program of group health benefits shall be continued for each
4 employee not in pay status or on active service by reason of
5 (1) leave of absence due to illness or injury, (2) authorized
6 educational leave of absence or sabbatical leave, or (3)
7 military leave ~~with pay and benefits~~. This coverage shall
8 continue until expiration of authorized leave and return to
9 active service, but not to exceed 24 months for leaves under
10 item (1) or (2). This 24-month limitation and the requirement
11 of returning to active service shall not apply to persons
12 receiving ordinary or accidental disability benefits or
13 retirement benefits through the appropriate State retirement
14 system or benefits under the Workers' Compensation or
15 Occupational Disease Act.

16 (d) The basic group life insurance coverage shall continue,
17 with full State contribution, where such person is (1) absent
18 from active service by reason of disability arising from any
19 cause other than self-inflicted, (2) on authorized educational
20 leave of absence or sabbatical leave, or (3) on military leave
21 ~~with pay and benefits~~.

22 (e) Where the person is in non-pay status for a period in
23 excess of 30 days or on leave of absence, other than by reason
24 of disability, educational or sabbatical leave, or military
25 leave ~~with pay and benefits~~, such person may continue coverage
26 only by making personal payment equal to the amount normally

1 contributed by the State on such person's behalf. Such payments
2 and coverage may be continued: (1) until such time as the
3 person returns to a status eligible for coverage at State
4 expense, but not to exceed 24 months or, (2) until such
5 person's employment or annuitant status with the State is
6 terminated, ~~or (3) for a maximum period of 4 years for members~~
7 ~~on military leave with pay and benefits and military leave~~
8 ~~without pay and benefits~~ (exclusive of any additional service
9 imposed pursuant to law).

10 (f) The Department shall establish by rule the extent to
11 which other employee benefits will continue for persons in
12 non-pay status or who are not in active service.

13 (g) The State shall not pay the cost of the basic
14 non-contributory group life insurance, program of health
15 benefits and other employee benefits for members who are
16 survivors as defined by paragraphs (1) and (2) of subsection
17 (q) of Section 3 of this Act. The costs of benefits for these
18 survivors shall be paid by the survivors or by the University
19 of Illinois Cooperative Extension Service, or any combination
20 thereof. However, the State shall pay the amount of the
21 reduction in the cost of participation, if any, resulting from
22 the amendment to subsection (a) made by this amendatory Act of
23 the 91st General Assembly.

24 (h) Those persons occupying positions with any department
25 as a result of emergency appointments pursuant to Section 8b.8
26 of the Personnel Code who are not considered employees under

1 this Act shall be given the option of participating in the
2 programs of group life insurance, health benefits and other
3 employee benefits. Such persons electing coverage may
4 participate only by making payment equal to the amount normally
5 contributed by the State for similarly situated employees. Such
6 amounts shall be determined by the Director. Such payments and
7 coverage may be continued until such time as the person becomes
8 an employee pursuant to this Act or such person's appointment
9 is terminated.

10 (i) Any unit of local government within the State of
11 Illinois may apply to the Director to have its employees,
12 annuitants, and their dependents provided group health
13 coverage under this Act on a non-insured basis. To participate,
14 a unit of local government must agree to enroll all of its
15 employees, who may select coverage under either the State group
16 health benefits plan or a health maintenance organization that
17 has contracted with the State to be available as a health care
18 provider for employees as defined in this Act. A unit of local
19 government must remit the entire cost of providing coverage
20 under the State group health benefits plan or, for coverage
21 under a health maintenance organization, an amount determined
22 by the Director based on an analysis of the sex, age,
23 geographic location, or other relevant demographic variables
24 for its employees, except that the unit of local government
25 shall not be required to enroll those of its employees who are
26 covered spouses or dependents under this plan or another group

1 policy or plan providing health benefits as long as (1) an
2 appropriate official from the unit of local government attests
3 that each employee not enrolled is a covered spouse or
4 dependent under this plan or another group policy or plan, and
5 (2) at least 50% of the employees are enrolled and the unit of
6 local government remits the entire cost of providing coverage
7 to those employees, except that a participating school district
8 must have enrolled at least 50% of its full-time employees who
9 have not waived coverage under the district's group health plan
10 by participating in a component of the district's cafeteria
11 plan. A participating school district is not required to enroll
12 a full-time employee who has waived coverage under the
13 district's health plan, provided that an appropriate official
14 from the participating school district attests that the
15 full-time employee has waived coverage by participating in a
16 component of the district's cafeteria plan. For the purposes of
17 this subsection, "participating school district" includes a
18 unit of local government whose primary purpose is education as
19 defined by the Department's rules.

20 Employees of a participating unit of local government who
21 are not enrolled due to coverage under another group health
22 policy or plan may enroll in the event of a qualifying change
23 in status, special enrollment, special circumstance as defined
24 by the Director, or during the annual Benefit Choice Period. A
25 participating unit of local government may also elect to cover
26 its annuitants. Dependent coverage shall be offered on an

1 optional basis, with the costs paid by the unit of local
2 government, its employees, or some combination of the two as
3 determined by the unit of local government. The unit of local
4 government shall be responsible for timely collection and
5 transmission of dependent premiums.

6 The Director shall annually determine monthly rates of
7 payment, subject to the following constraints:

8 (1) In the first year of coverage, the rates shall be
9 equal to the amount normally charged to State employees for
10 elected optional coverages or for enrolled dependents
11 coverages or other contributory coverages, or contributed
12 by the State for basic insurance coverages on behalf of its
13 employees, adjusted for differences between State
14 employees and employees of the local government in age,
15 sex, geographic location or other relevant demographic
16 variables, plus an amount sufficient to pay for the
17 additional administrative costs of providing coverage to
18 employees of the unit of local government and their
19 dependents.

20 (2) In subsequent years, a further adjustment shall be
21 made to reflect the actual prior years' claims experience
22 of the employees of the unit of local government.

23 In the case of coverage of local government employees under
24 a health maintenance organization, the Director shall annually
25 determine for each participating unit of local government the
26 maximum monthly amount the unit may contribute toward that

1 coverage, based on an analysis of (i) the age, sex, geographic
2 location, and other relevant demographic variables of the
3 unit's employees and (ii) the cost to cover those employees
4 under the State group health benefits plan. The Director may
5 similarly determine the maximum monthly amount each unit of
6 local government may contribute toward coverage of its
7 employees' dependents under a health maintenance organization.

8 Monthly payments by the unit of local government or its
9 employees for group health benefits plan or health maintenance
10 organization coverage shall be deposited in the Local
11 Government Health Insurance Reserve Fund.

12 The Local Government Health Insurance Reserve Fund is
13 hereby created as a nonappropriated trust fund to be held
14 outside the State Treasury, with the State Treasurer as
15 custodian. The Local Government Health Insurance Reserve Fund
16 shall be a continuing fund not subject to fiscal year
17 limitations. The Local Government Health Insurance Reserve
18 Fund is not subject to administrative charges or charge-backs,
19 including but not limited to those authorized under Section 8h
20 of the State Finance Act. All revenues arising from the
21 administration of the health benefits program established
22 under this Section shall be deposited into the Local Government
23 Health Insurance Reserve Fund. Any interest earned on moneys in
24 the Local Government Health Insurance Reserve Fund shall be
25 deposited into the Fund. All expenditures from this Fund shall
26 be used for payments for health care benefits for local

1 government and rehabilitation facility employees, annuitants,
2 and dependents, and to reimburse the Department or its
3 administrative service organization for all expenses incurred
4 in the administration of benefits. No other State funds may be
5 used for these purposes.

6 A local government employer's participation or desire to
7 participate in a program created under this subsection shall
8 not limit that employer's duty to bargain with the
9 representative of any collective bargaining unit of its
10 employees.

11 (j) Any rehabilitation facility within the State of
12 Illinois may apply to the Director to have its employees,
13 annuitants, and their eligible dependents provided group
14 health coverage under this Act on a non-insured basis. To
15 participate, a rehabilitation facility must agree to enroll all
16 of its employees and remit the entire cost of providing such
17 coverage for its employees, except that the rehabilitation
18 facility shall not be required to enroll those of its employees
19 who are covered spouses or dependents under this plan or
20 another group policy or plan providing health benefits as long
21 as (1) an appropriate official from the rehabilitation facility
22 attests that each employee not enrolled is a covered spouse or
23 dependent under this plan or another group policy or plan, and
24 (2) at least 50% of the employees are enrolled and the
25 rehabilitation facility remits the entire cost of providing
26 coverage to those employees. Employees of a participating

1 rehabilitation facility who are not enrolled due to coverage
2 under another group health policy or plan may enroll in the
3 event of a qualifying change in status, special enrollment,
4 special circumstance as defined by the Director, or during the
5 annual Benefit Choice Period. A participating rehabilitation
6 facility may also elect to cover its annuitants. Dependent
7 coverage shall be offered on an optional basis, with the costs
8 paid by the rehabilitation facility, its employees, or some
9 combination of the 2 as determined by the rehabilitation
10 facility. The rehabilitation facility shall be responsible for
11 timely collection and transmission of dependent premiums.

12 The Director shall annually determine quarterly rates of
13 payment, subject to the following constraints:

14 (1) In the first year of coverage, the rates shall be
15 equal to the amount normally charged to State employees for
16 elected optional coverages or for enrolled dependents
17 coverages or other contributory coverages on behalf of its
18 employees, adjusted for differences between State
19 employees and employees of the rehabilitation facility in
20 age, sex, geographic location or other relevant
21 demographic variables, plus an amount sufficient to pay for
22 the additional administrative costs of providing coverage
23 to employees of the rehabilitation facility and their
24 dependents.

25 (2) In subsequent years, a further adjustment shall be
26 made to reflect the actual prior years' claims experience

1 of the employees of the rehabilitation facility.

2 Monthly payments by the rehabilitation facility or its
3 employees for group health benefits shall be deposited in the
4 Local Government Health Insurance Reserve Fund.

5 (k) Any domestic violence shelter or service within the
6 State of Illinois may apply to the Director to have its
7 employees, annuitants, and their dependents provided group
8 health coverage under this Act on a non-insured basis. To
9 participate, a domestic violence shelter or service must agree
10 to enroll all of its employees and pay the entire cost of
11 providing such coverage for its employees. The domestic
12 violence shelter shall not be required to enroll those of its
13 employees who are covered spouses or dependents under this plan
14 or another group policy or plan providing health benefits as
15 long as (1) an appropriate official from the domestic violence
16 shelter attests that each employee not enrolled is a covered
17 spouse or dependent under this plan or another group policy or
18 plan and (2) at least 50% of the employees are enrolled and the
19 domestic violence shelter remits the entire cost of providing
20 coverage to those employees. Employees of a participating
21 domestic violence shelter who are not enrolled due to coverage
22 under another group health policy or plan may enroll in the
23 event of a qualifying change in status, special enrollment, or
24 special circumstance as defined by the Director or during the
25 annual Benefit Choice Period. A participating domestic
26 violence shelter may also elect to cover its annuitants.

1 Dependent coverage shall be offered on an optional basis, with
2 employees, or some combination of the 2 as determined by the
3 domestic violence shelter or service. The domestic violence
4 shelter or service shall be responsible for timely collection
5 and transmission of dependent premiums.

6 The Director shall annually determine rates of payment,
7 subject to the following constraints:

8 (1) In the first year of coverage, the rates shall be
9 equal to the amount normally charged to State employees for
10 elected optional coverages or for enrolled dependents
11 coverages or other contributory coverages on behalf of its
12 employees, adjusted for differences between State
13 employees and employees of the domestic violence shelter or
14 service in age, sex, geographic location or other relevant
15 demographic variables, plus an amount sufficient to pay for
16 the additional administrative costs of providing coverage
17 to employees of the domestic violence shelter or service
18 and their dependents.

19 (2) In subsequent years, a further adjustment shall be
20 made to reflect the actual prior years' claims experience
21 of the employees of the domestic violence shelter or
22 service.

23 Monthly payments by the domestic violence shelter or
24 service or its employees for group health insurance shall be
25 deposited in the Local Government Health Insurance Reserve
26 Fund.

1 (1) A public community college or entity organized pursuant
2 to the Public Community College Act may apply to the Director
3 initially to have only annuitants not covered prior to July 1,
4 1992 by the district's health plan provided health coverage
5 under this Act on a non-insured basis. The community college
6 must execute a 2-year contract to participate in the Local
7 Government Health Plan. Any annuitant may enroll in the event
8 of a qualifying change in status, special enrollment, special
9 circumstance as defined by the Director, or during the annual
10 Benefit Choice Period.

11 The Director shall annually determine monthly rates of
12 payment subject to the following constraints: for those
13 community colleges with annuitants only enrolled, first year
14 rates shall be equal to the average cost to cover claims for a
15 State member adjusted for demographics, Medicare
16 participation, and other factors; and in the second year, a
17 further adjustment of rates shall be made to reflect the actual
18 first year's claims experience of the covered annuitants.

19 (1-5) The provisions of subsection (1) become inoperative
20 on July 1, 1999.

21 (m) The Director shall adopt any rules deemed necessary for
22 implementation of this amendatory Act of 1989 (Public Act
23 86-978).

24 (n) Any child advocacy center within the State of Illinois
25 may apply to the Director to have its employees, annuitants,
26 and their dependents provided group health coverage under this

1 Act on a non-insured basis. To participate, a child advocacy
2 center must agree to enroll all of its employees and pay the
3 entire cost of providing coverage for its employees. The child
4 advocacy center shall not be required to enroll those of its
5 employees who are covered spouses or dependents under this plan
6 or another group policy or plan providing health benefits as
7 long as (1) an appropriate official from the child advocacy
8 center attests that each employee not enrolled is a covered
9 spouse or dependent under this plan or another group policy or
10 plan and (2) at least 50% of the employees are enrolled and the
11 child advocacy center remits the entire cost of providing
12 coverage to those employees. Employees of a participating child
13 advocacy center who are not enrolled due to coverage under
14 another group health policy or plan may enroll in the event of
15 a qualifying change in status, special enrollment, or special
16 circumstance as defined by the Director or during the annual
17 Benefit Choice Period. A participating child advocacy center
18 may also elect to cover its annuitants. Dependent coverage
19 shall be offered on an optional basis, with the costs paid by
20 the child advocacy center, its employees, or some combination
21 of the 2 as determined by the child advocacy center. The child
22 advocacy center shall be responsible for timely collection and
23 transmission of dependent premiums.

24 The Director shall annually determine rates of payment,
25 subject to the following constraints:

26 (1) In the first year of coverage, the rates shall be

1 equal to the amount normally charged to State employees for
2 elected optional coverages or for enrolled dependents
3 coverages or other contributory coverages on behalf of its
4 employees, adjusted for differences between State
5 employees and employees of the child advocacy center in
6 age, sex, geographic location, or other relevant
7 demographic variables, plus an amount sufficient to pay for
8 the additional administrative costs of providing coverage
9 to employees of the child advocacy center and their
10 dependents.

11 (2) In subsequent years, a further adjustment shall be
12 made to reflect the actual prior years' claims experience
13 of the employees of the child advocacy center.

14 Monthly payments by the child advocacy center or its
15 employees for group health insurance shall be deposited into
16 the Local Government Health Insurance Reserve Fund.

17 (Source: P.A. 95-331, eff. 8-21-07; 95-632, eff. 9-25-07;
18 95-707, eff. 1-11-08; 96-756, eff. 1-1-10; 96-1232, eff.
19 7-23-10.)

20 Section 99. Effective date. This Act takes effect upon
21 becoming law."